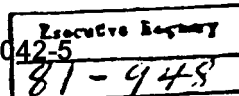




DEPARTMENT OF STATE

Washington, D.C. 20520



WFO 1971-81

April 1, 1981

SECRET/NOFORN

Admiral B. R. Inman, USN
Deputy Director
Central Intelligence Agency
Washington, D. C.

Dear Admiral Inman:

International narcotics control initiatives continue to present our intelligence community with extraordinary challenges. During the past two years, the Department of State has had several exchanges with CIA, discussing critical problem areas and seeking a broader commitment from CIA for intelligence support on international narcotics and related matters (see attached correspondence.) Although there have been a number of notable improvements, there are three broad areas -- HUMINT collection, inter-agency coordination, and intelligence production -- where I believe further progress must be made if we are to meet the increasingly serious threats posed to the U.S. by the global narcotics problem.

The dimensions of our national narcotics problem are staggering. Heroin addiction rates, down for the last five years, again appear to be growing, fed by the massive increase in opium production in Southwest Asia over the past three years. The bumper crop production in Southeast Asia's Golden Triangle this year is expected to exacerbate this situation even further.

While heroin addiction and the unabated increase in cocaine and marijuana abuse are the manifest signs of our drug problems, its other implications are unfortunately equally serious to U.S. interests. The recent, excellent NFAC study on illicit drug finances in the Caribbean highlighted the corrosive effects that the billions of dollars generated in narcotics trafficking are having on our U.S. financial institutions. In our own country the illicit narcotics industry involves over \$75 billion a year, a figure which dwarfs the turnover of giant American corporations. We are only now beginning to understand the extent to which narcotics production and trafficking have become critical factors in the economies of numerous developing countries. Drug money is distorting development, corroding political institutions, and in some countries has become a major factor in the very stability of the government.

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State Dept. review completed

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Finally, there is growing evidence that drugs and the vast sums generated in trafficking are sometimes tied in directly and indirectly with the illicit arms business and the support of terrorist organizations, particularly in Latin America and the Middle East.

I am generally encouraged by the progress the CIA has made in several areas over the past year. The aforementioned study on narcotics financing was a major contribution to our understanding of the problem. [REDACTED]

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There are some areas in which improvements can be made with the commitment of few additional resources. For example, a significant number of our intelligence problems are the result of poor coordination among collection efforts of different agencies. Although there has traditionally been relatively satisfactory coordination of CIA, NSA, Defense, and State narcotics intelligence collection, we have no effective mechanism for coordinating the activities of NFIB groups with such "non-traditional" intelligence collectors as the Drug Enforcement Administration, U.S. Customs Service, and those other law enforcement agencies which collect information as part of their mission. In the absence of such coordination, some critical narcotics targets are neglected, while there is a redundancy of efforts against others. These problems are compounded by the absence of any routinized dissemination of information collected by these agencies. For instance, as a result of CIA's reallocation of collection resources last year, DEA was given responsibility for a number of targets previously covered by CIA. Although the Memorandum of Understanding between CIA and DEA covering this transfer of responsibility provided that DEA would disseminate information on narcotics targets, neither the

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Department nor CIA has received any DEA information reports. The absence of information in these areas has seriously hampered analytic activities at State, and, I am certain at CIA as well.

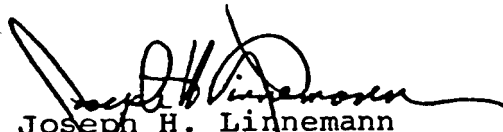
Executive Order 12036 (I-601, I-603, I-605 & I-803) implies the DCI has the authority to coordinate the collection of foreign narcotics intelligence. I recommend that an interagency committee with broad representation from the Executive Departments be formed under the authority of the DCI and charged with the responsibility of coordinating the collection of narcotics intelligence.

While I have concentrated on problems in the collection and coordination area, improvements here will have less value without concomitant improvement on the analysis and production side. The Department has benefitted from the development of a core of narcotics intelligence expertise within NFAC. The Strategic Narcotics Team in the Office of Geographic and Societal Research has no parallel in Washington as a producer of consistently high-quality assessments on narcotics production, and I strongly urge that its capabilities be enhanced to deal with other dimensions of the narcotics problem. We have also appreciated the other activities within NFAC, including the International Narcotics and Terrorism Analysis Center, which have produced assessments on the political and economic dimensions of international narcotics trafficking, but I am concerned whether these valued efforts will be continued.

Finally, I think that the production of foreign narcotics intelligence could be significantly improved by the appointment of a National Intelligence Officer responsible for coordinating assessments within the Intelligence Community of policy-related narcotics development. Such an NIO must be able to draw on the resources of DEA, Customs, and others as well as NFIB agencies.

I would welcome the opportunity to discuss these recommendations with you in detail.

Sincerely,



Joseph H. Linnemann
Acting Assistant Secretary for
International Narcotics Matters

Attachments

CC: P-Amb. Stoessel

INR-Mr. Spiers

INR/GIS-Mr. Wiant

INR-Mr. [unclear]

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MEMORANDUM FOR:

8 APR 1981

D/OGSR

D/OPA-

4-186

Bruce Clarke handed me the attached. At his suggestion, I will do nothing until Monday, at which point I will ask John McMahon to arrange a meeting of all involved.

5'

Helene L. Boatner
D/OPA

Attachment:
as stated

Date 7 April 1981

FORM 5-75 101 USE PREVIOUS EDITIONS

EXECUTIVE SECRETARIAT

Routing Slip

NFA

TO:		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI		X		
3	D/DCI/RM				
4	DD/NFA	X			
5	D/DCI/CT				
6	DD/A				
7	DD/O	X			
8	DD/S&T				
9	GC				
10	LC				
11	IG				
12	Compt				
13	D/PA				
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15	D/PPPM				
16	AO/DCI				
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SUSPENSE		13 April Date			

Remarks:

To 4 & 7: Please name and provide coordinated recommendations to DCI.

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D/Executive Secretary
7 April 1981

Date

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